

Adopted	Rejected
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## COMMITTEE REPORT

YES:	21
NO:	0

### MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1480, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 courts and court officers.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 33-38-7-18 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. (a) This section
- 7 applies to a person who:
- 8 (1) is a judge participating under this chapter;
- 9 (2) ~~before becoming a judge~~ was appointed by a court to serve as
- 10 a full-time referee, full-time commissioner, or full-time magistrate
- 11 **either:**
- 12 **(A) before becoming a judge; or**
- 13 **(B) after leaving an elected term on the bench;**
- 14 (3) was a member of the public employees' retirement fund during
- 15 the employment described in subdivision (2); and
- 16 (4) received credited service under the public employees'

1 retirement fund for the employment described in subdivision (2).

2 (b) If a person becomes a participant in the judges' 1977 benefit  
3 system under section 1 of this chapter, credit for prior **or subsequent**  
4 service by the judge as a full-time referee, full-time commissioner, or  
5 full-time magistrate shall be granted under this chapter by the board if:

6 (1) the prior service was credited under the public employees'  
7 retirement fund;

8 (2) the state contributes to the judges' 1977 benefit system the  
9 amount the board determines necessary to amortize the prior  
10 service liability over a period determined by the board, but not  
11 more than ten (10) years; and

12 (3) the judge pays in a lump sum or in a series of payments  
13 determined by the board, not exceeding five (5) annual payments,  
14 the amount the judge would have contributed if the judge had  
15 been a member of the judges' 1977 benefit system during the prior  
16 service.

17 (c) If the requirements of subsection (b)(2) and (b)(3) are not  
18 satisfied, a participant is entitled to credit only for years of service after  
19 the date of participation in the 1977 benefit system.

20 (d) An amortization schedule for contributions paid under  
21 subsection (b)(2) or (b)(3) must include interest at a rate determined by  
22 the board.

23 (e) The following provisions apply to a person described in  
24 subsection (a):

25 (1) A minimum benefit applies to participants receiving credit in  
26 the judges' 1977 benefit system from service covered by the  
27 public employees' retirement fund. The minimum benefit is  
28 payable at sixty-five (65) years of age and equals the actuarial  
29 equivalent of the vested retirement benefit that is:

30 (A) payable to the member at normal retirement under  
31 IC 5-10.2-4-1 as of the day before the transfer; and

32 (B) based solely on:

33 (i) creditable service;

34 (ii) the average of the annual compensation; and

35 (iii) the amount credited under IC 5-10.2 and IC 5-10.3 to  
36 the annuity savings account of the transferring member as of  
37 the day before the transfer.

38 (2) If the requirements of subsection (b)(2) and (b)(3) are

1 satisfied, the board shall transfer from the public employees'  
 2 retirement fund to the judges' 1977 benefit system the amount  
 3 credited to the annuity savings account and the present value of  
 4 the retirement benefit payable at sixty-five (65) years of age that  
 5 is attributable to the transferring participant.

6 (3) The amount the state and the participant must contribute to the  
 7 judges' 1977 benefit system under subsection (b) shall be reduced  
 8 by the amount transferred to the judges' 1977 benefit system by  
 9 the board under subdivision (2).

10 (4) If the requirements of subsection (b)(2) and (b)(3) are  
 11 satisfied, credit for prior service in the public employees'  
 12 retirement fund as a full-time referee, full-time commissioner, or  
 13 full-time magistrate is waived. Any credit for the prior service  
 14 under the judges' 1977 benefit system may be granted only under  
 15 subsection (b).

16 (5) Credit for prior service in the public employees' retirement  
 17 fund for service other than as a full-time referee, full-time  
 18 commissioner, or full-time magistrate remains under the public  
 19 employees' retirement fund and may not be credited under the  
 20 judges' 1977 benefit system.

21 (f) To the extent permitted by the Internal Revenue Code and the  
 22 applicable regulations, the judges' 1977 benefit system may accept, on  
 23 behalf of a participant who is purchasing permissive service credit  
 24 under subsection (b), a rollover of a distribution from any of the  
 25 following:

26 (1) A qualified plan described in Section 401(a) or Section 403(a)  
 27 of the Internal Revenue Code.

28 (2) An annuity contract or account described in Section 403(b) of  
 29 the Internal Revenue Code.

30 (3) An eligible plan that is maintained by a state, political  
 31 subdivision of a state, or an agency or instrumentality of a state or  
 32 political subdivision of a state under Section 457(b) of the  
 33 Internal Revenue Code.

34 (4) An individual retirement account or annuity described in  
 35 Section 408(a) or Section 408(b) of the Internal Revenue Code.

36 (g) To the extent permitted by the Internal Revenue Code and the  
 37 applicable regulations, the judges' 1977 benefit system may accept, on  
 38 behalf of a participant who is purchasing permissive service credit

1 under subsection (b), a trustee to trustee transfer from any of the  
2 following:

- 3 (1) An annuity contract or account described in Section 403(b) of
- 4 the Internal Revenue Code.
- 5 (2) An eligible deferred compensation plan under Section 457(b)
- 6 of the Internal Revenue Code.

7 SECTION 2. IC 33-38-8-11 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) A participant  
9 shall make contributions to this fund of six percent (6%) of each  
10 payment of salary received for services as judge. However, the  
11 employer may elect to pay the contribution for the participant as a  
12 pickup under Section 414(h) of the Internal Revenue Code.

13 (b) Participants' contributions, other than participants' contributions  
14 paid by the employer, shall be deducted from the monthly salary of  
15 each participant by the auditor of state and by the county auditor and  
16 credited to the fund as provided in IC 33-38-6-21 and IC 33-38-6-22.  
17 However, a contribution is not required:

- 18 (1) because of any salary received after the participant has
- 19 contributed to the fund for twenty-two (22) years; or
- 20 (2) during any period that the participant is not serving as judge.

21 **(c) A participant may elect to make additional contributions**  
22 **after twenty-two (22) years.**

23 SECTION 3. [EFFECTIVE JULY 1, 2007] **(a) The pension**  
24 **management oversight commission shall identify a way to**  
25 **harmonize the benefit structures of:**

- 26 **(1) the judges' 1977 retirement, disability, and death benefit**
- 27 **system established under IC 33-38-7; and**
- 28 **(2) the judges' 1985 retirement, disability, and death benefit**
- 29 **system established under IC 33-38-8.**

30 **(b) This SECTION expires November 1, 2008.**

(Reference is to HB 1480 as introduced.)

**and when so amended that said bill do pass.**

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Representative Crawford